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A History of Taxation and Taxes in England, from the earliest times to the year 1885. By STEPHEN DOWELL, Assistant Solicitor of Inland Revenue. Second Edition, revised and altered. London and New York, Longmans, Green & Co., 1888. — 4 vols. 8vo, xxix, 244 ; xviii, 586 ; x, 312 ; xiii, 465 pp.

Reports from the Consuls of the United States [on European Taxation]. Nos. 99 and 100, Nov. and Dec. 1888. Washington, Government Printing Office, 1888. — 8vo, pp. 260-791.

Traité de critique et de statistique comparée des institutions financières, systèmes d'impôts, et réformes fiscales des divers Etats au XIXe siècle. Par E. FOURNIER DE FLAIX. Première Série. Paris, Guillaumin, Larose et Forcel, 1889. — 8vo, lvi, 587 pp.

It is a pleasure to announce that so bulky a work as Mr. Dowell's *History of Taxation and Taxes in England* should in the short space of four years require a second edition. It would be ungrateful not to recognize the strong points of these, in many respects, admirable volumes, especially as the new edition contains several marked improvements. Additions have been made (*e.g.*, to the chapter on tobacco taxes) and volume ii has been enlarged by a number of valuable appendices. The whole work has been re-arranged much for the better, and convenient summaries and indices have been introduced. The chief improvement, however, is one to which only slight attention is called in the preface ; *viz.* in the treatment of the customs duties. In the first edition the discussion of this subject was most inadequate and fragmentary. In this edition advantage has evidently been taken of Hubert Hall's recent *History of the Custom Revenue* to amplify the narrative. But even thus the account is by no means complete nor even always accurate. Thus no explanation is given of the gradual conversion of the Roman toll (*theloneum*) into the Teutonic custom (*consuetudo*), nor is the connection between prisage and purveyance at all clearly explained. No mention at all is made of the staple, and in later centuries the corn laws receive very scant attention.

The two chief criticisms on Mr. Dowell's work are the same that might have been urged against the first edition : the utter failure to give an account of local taxation, and secondly, the lack of a wider scientific perspective. Although local taxation played a smaller rôle during the early middle ages in centralized England than in the disjointed monarchies of the continent, yet even in England it formed a considerable share of the citizen's burdens. The towns were the real birthplaces of modern taxation. In modern times, moreover, local taxation has become so important and so intricate that no history of

taxation can be declared at all satisfactory which fails to trace its origin and development. The materials for such a history are now ample. This is a great omission in Mr. Dowell's volumes.

The second criticism is a more delicate, although a more serious one. Mr. Dowell is a painstaking historian, but he is not a trained economist. He is an annalist, but not an analyst. He gives us facts, but fights shy of discussions. In this respect his work is inferior in parts to Vocke's *Geschichte der britischen Steuern*. He gives us, *e.g.*, no account of the deeper reasons why and how the fifteenths and tenths became the chief direct tax of the middle ages, and why the property tax has been superseded by the income tax in modern times. He avoids a discussion of the principles of the income tax and of the finer questions involved, although the two parliamentary commissions and three bulky reports should have forced the problems on his attention. The off-hand manner in which he dismisses the subject in a few lines (volume iii, page 122) is not worthy of a real economist. In fact, here as elsewhere, *e.g.*, in the case of Walpole's excise scheme in the eighteenth century, Mr. Dowell pays no attention at all to the rich English literature on the subject, of which Sinclair has given us so complete a bibliography, not to speak at all of the numerous studies in foreign languages. To write a perfectly satisfactory history of taxation, one must be not only a "practical financier," but also well trained in the principles of economic theory.

It was an idea of very questionable value to attempt a presentation of European finance in the *Reports from the Consuls of the United States* on taxation. Our consuls are not especially noted for their scientific training or economic knowledge. While the aspiration to disseminate among our public an acquaintance with foreign systems is in some degree laudable, it may yet be seriously doubted whether a helter-skelter jumble of good and bad, like the present collection, will really be of any service. The contributions are of all sorts, from a few fairly accurate and full accounts to the most lamentably confused and incorrect descriptions. We cannot, perhaps, expect our consuls to be masters of English, but we do have a right to expect that the supervising officers of the State department will perform some function of control and excision. Phrases like the following are amusing, if not worse: "juridic controls of administration law"; "taxes of quota are such as are eventual"; "matricular lists"; "domainal revenues"; "earning taxes"; "mobiliary imposts"; "collocation of sums"; "taxes of statistics"; "the graduated tax devolves upon the prolongation of companies" — and pages of similar gibberish. If many of the reports are to be at all useful, it will be necessary to translate the consular English into the Queen's English or, at all events, into readable American. It would,

of course, not repay us to mention the hundreds of minor mistakes and misapprehensions in which the volume abounds, as it is not likely that students will go to it as an authoritative source of information. It would have been far better for the government to send out a special agent, trained in finance and master of English. The one redeeming and really valuable part of the volume is the excellent collection of all the chief town and county budgets in the European states. These form the most complete presentation thus far published in any country.

The advantages of having such a survey written by one hand are seen in M. de Flaix's *Traité de critique et de statistique comparée, etc.* M. de Flaix is known as the author of the *Reforme de l'Impôt en France*, of which the first volume was published four years ago, and of which the second and third volumes, as he informs us, are nearly ready. In order not to make that work too unwieldy, M. de Flaix decided to publish a comparison of France with other countries separately. In the present volume, therefore, we have the first instalment of the exposition and comparison, including the four great European powers (but excluding France) together with the United States and the chief British possessions. The *Traité* contains a pleasantly written narrative of the financial organization and institutions of each country. It is at the same time more and less than a portion of the science of finance. It is more, because the author devotes some space to the general political and industrial condition of each nation — a fact which adds to the general but not to the purely financial interest of the work. It is less, because the author attempts simply to expound the facts, without any serious analysis or criticism. M. de Flaix says that he reserves the criticism for a future volume of his *Réforme de l'Impôt*, but it must be said that this disjointed method considerably impairs the value of the work. The account of the facts, again, does not enter into details, while the bibliography given is exceedingly scanty. The chief criticism to be made upon the work, however, is the lack of thoroughness and exactness. The description of the finances of the United States, *e.g.*, is woefully inadequate, and teems with mistakes. Thus it is said that there are only two kinds of taxes in America: taxes on property and taxes on consumption; that the commonwealths agreed by solemn compact to reserve to themselves the direct taxes; that the income tax yielded seventy-two million dollars in 1867 (the author here confounds the income tax with the taxes on gross receipts, *etc.*); that the income tax continued until 1877; that with the exception of the income tax the federal government has never departed from its original financial methods (entirely ignoring the internal revenue experiments of the Federalists, and during the war with England). Mistakes such as these are apt to render the critic very suspicious as to all the other facts in the book for which no special authority is adduced.

M. de Flaix's book cannot therefore be recommended as an entirely trustworthy guide in details — being in this respect decidedly inferior to the historical volume of Wagner. Its usefulness consists mainly in giving the reader a good general survey of the leading movements in financial development. Thus the chapter on England which occupies almost half the work (228 pages) is interesting above all for the clear account of recent reform projects — those of the Tories, the Liberals, the Radicals and the Socialists. In like manner the chapter on the fiscal and social reforms of Germany is exceedingly readable. It is to be regretted that M. de Flaix, like so many of his countrymen, seems unable to combine clearness and attractiveness of form with thoroughness in facts and methods.

E. R. A. S.

Kapital und Kapitalzins. Von Dr. EUGEN VON BÖHM-BAWERK, o. ö. Professor an der k. k. Universität in Innsprück. Zweite Abtheilung: *Positive Theorie des Kapitals.* Innsprück, Verlag der Wagner'schen Universitäts-Buchhandlung, 1889. — 8vo, 467 pp.

It will be remembered that four years ago Professor von Böhm-Bawerk published a *History and Criticism of Theories of Capital and Interest*. This book was preparatory, and contained the promise of a later volume that should supply the constructive portion of the general work. The promise is now fulfilled: *The Positive Theory of Capital* appeared at the beginning of the present year. The work is, essentially, a study of the element of time in social economy. An analysis that others have begun, and that some have even carried far enough to reveal the wealth of scientific results to be gained by a successful completion of the study, Professor von Böhm-Bawerk has undertaken from the beginning, in entire independence, and has carried to such completeness as to present a new and self-consistent theory of the nature and function of capital and of the origin and determining law of interest. That it is the only true theory of these subjects would be too much to say; but it is safe to say that no complete theory of distribution can hereafter be made that shall not incorporate into itself an essential part of Professor von Böhm-Bawerk's study of time as an economic element.

To give here an abstract that shall do justice to the work is impracticable. Within the limits of this notice the best that can be done is to indicate a few of the fundamental principles on which the theory is based, and the general direction in which they are applied.

Of these principles the first is that of the fruitfulness of indirect production. Labor gets a larger return when it pursues a roundabout course. A man may take fish by hand, in shallow pools; but he fishes to better advantage when he builds a boat and weaves a net. These